



STATE OF MICHIGAN

DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

ANDY DILLON
STATE TREASURER

August 1, 2012

Michael Brown, Emergency Manager
City of Flint
1101S. Saginaw Street
Flint, MI 48502

Dear Mr. Brown:

Thank you for your July 30, 2012 email request, which is enclosed for reference. As Emergency Manager for the City of Flint, you have asked for my approval of your request to transfer and convey the property, commonly known as Genesee Towers, 120 East First Street, to Uptown Reinvestment Corporation, Inc. (URC).

Section 19(1)(r) of Public Act 4 of 2011, the Local Government and School District Fiscal Accountability Act, provides as follows:

If provided in the financial and operating plan, or otherwise with the prior written approval of the governor or his or her designee, sell, lease, convey, assign, or otherwise use or transfer the assets, liabilities, functions, or responsibilities of the local government, provided the use or transfer of assets, liabilities, functions, or responsibilities for this purpose does not endanger the health, safety, or welfare of residents of the local government or unconstitutionally impair a bond, note, security, or uncontested legal obligation of the local government.

Staff has reviewed information submitted in regards to the proposed transfer of the Genesee Towers property, including a real estate transfer agreement, a development agreement, and your written rational to transfer the property for the sum of \$1.00.

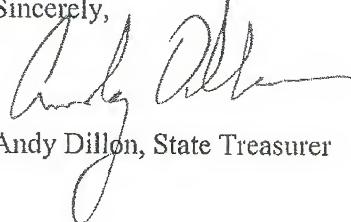
You pointed out the improvements on the property were condemned by the City in 2004 and the City acquired title to the property in 2010, having been found liable on the property owner's claims for inverse condemnation. The property is in deplorable condition and has been an albatross for the past decade. Security fencing around the building site impedes traffic movement on the adjoining streets. The building presents an ongoing cost to the City, as well as a source of exposure to liability. Efforts to market the building have been wholly unsuccessful.

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The transfer/purchase price for the property is the sum of \$1.00. The primary consideration for this transaction is the agreement of URC to remediate asbestos and demolish the buildings and/or other improvements now situated upon the property and to perform the other agreements and undertakings by URC set forth in the attached agreement, including defined improvements to the property.

Based upon the foregoing, I conclude that you have articulated sufficient justification for your request. Therefore, pursuant to Section 19(l) (r) of the Act, I, as State Treasurer, grant approval of your request to transfer and convey the lot commonly known as Genesee Towers, 120 East First Street, for the sum of \$1.00 and other considerations.

Sincerely,

A handwritten signature in black ink, appearing to read "Andy Dillon".

Andy Dillon, State Treasurer

Enclosure - 1